



# County of Los Angeles CHIEF EXECUTIVE OFFICE

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WILLIAM T FUJIOKA  
Chief Executive Officer

July 5, 2013

Board of Supervisors  
GLORIA MOLINA  
First District

MARK RIDLEY-THOMAS  
Second District

ZEV YAROSLAVSKY  
Third District

DON KNABE  
Fourth District

MICHAEL D. ANTONOVICH  
Fifth District

To: Supervisor Mark Ridley-Thomas, Chairman  
Supervisor Gloria Molina  
Supervisor Zev Yaroslavsky  
Supervisor Don Knabe  
Supervisor Michael D. Antonovich

From: William T Fujioka  
Chief Executive Officer

## SACRAMENTO UPDATE

### Executive Summary

This memorandum provides information on the following:

- **Legislative Summer Schedule.** A report on the Assembly and Senate's Summer Recess schedule.
- **Status of County-Sponsored Legislation**
  - **County-sponsored AB 331 (Garcia)** - related to the consolidation of a Statewide or special election, passed the Senate Floor on July 1, 2013, and now proceeds to the Governor.
  - **County-sponsored SB 184 (Committee on Governance and Finance)** - related to the Baldwin Hills Conservancy Governing Board designee, passed the Assembly Appropriations Committee on July 3, 2013, and now proceeds to the Assembly Floor.
  - **County-sponsored SB 804** - related to conversion technology, passed the Assembly Natural Resources Committee on July 1, 2013.

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- **Status of County-Advocacy Legislation.** Updates on 11 County-advocacy measures related to: disclosure of criminal history on employment applications; child care attendance records; inverse condemnation; veterans' housing; regulation of superstore retailers; evidentiary privileges to union agents and represented employees; interest rates on judgments against State and local governments; hydraulic fracturing; ammunition purchases; breastfeeding; and the health care Bridge Plan.
  - **Status of Legislation of County Interest.** A report on AB 90 related to the Enterprise Zone Program.
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### **Legislative Summer Recess Schedule**

On July 3, 2013, the Assembly adjourned for its Summer Recess, and will reconvene on August 5, 2013. The Senate is scheduled to adjourn for its Summer Recess on July 12, 2013 and will reconvene on August 12, 2013. The Legislature is expected to act on gun violence legislation and technical health care reform clean-up legislation when it reconvenes in August.

### **Status of County-Sponsored Legislation**

**County-sponsored AB 331 (Garcia)**, which as amended on April 30, 2013, would: 1) require that elections consolidated with a special election be held and conducted under applicable State and Federal laws; and 2) require a jurisdiction, if it requests to have their election consolidated with a Statewide or special election, to acknowledge that the election will be conducted under applicable State and Federal laws, including the laws regulating voter challenges, election contests, and recounts, passed the Senate Floor by a vote of 32 to 0 on July 1, 2013. This measure now proceeds to the Governor.

**County-sponsored SB 184 (Committee on Governance and Finance)**, the Senate Committee on Governance and Finance's local government omnibus bill, which as amended on June 10, 2013, includes a County-sponsored provision to allow the seat on the Baldwin Hills Conservancy governing board that is designated for the Los Angeles County Supervisor whose district the Conservancy is located to be filled by a designee of the Supervisor, passed the Assembly Appropriations Committee by a vote of 17 to 0 on July 3, 2013. This measure now proceeds to the Assembly Floor.

**County-sponsored SB 804 (Lara)**, which as amended on May 8, 2013, would revise the definition of the term biomass conversion to include conversion technology, was amended on June 25, 2013. The bill now also defines the term composting to include decomposition of organic wastes in the presence of oxygen and to include as part of the State's 50 percent diversion rate requirement the diversion of solid waste through anaerobic digestion. This measure passed the Assembly Natural Resources Committee by a vote of 9 to 0 on July 1, 2013, and now proceeds to the Assembly Environmental Safety and Toxic Materials Committee.

#### **Status of County-Advocacy Legislation**

**County-opposed AB 218 (Dickinson)**, which as amended on May 24, 2013, would, beginning July 1, 2014, prohibit a State or local agency from inquiring about criminal history on any initial employment application, except where otherwise required by law, passed the Senate Judiciary Committee by a vote of 4 to 2 on July 2, 2013. This measure now proceeds to the Senate Appropriations Committee.

**County-supported AB 274 (Bonilla)**, which as amended May 24, 2013, would: 1) allow subsidized child care providers to submit attendance records on a monthly basis; 2) allow attendance records to be maintained in original format or electronically; and 3) require the State to process payments to providers through direct deposit, passed the Senate Education Committee on a 9 to 0 vote on July 3, 2013. This measure now proceeds to the Senate Appropriations Committee.

**County-supported AB 436 (Jones-Sawyer)**, which as amended on June 24, 2013, would: 1) apply the doctrine of comparative fault to litigation between a plaintiff property owner and a defendant governmental agency in inverse condemnation actions; and 2) require that if the plaintiff fails to meet the normal tort standard in the Code of Civil Procedure, they will not be able to receive their own costs as currently allowed for in inverse condemnation cases, was scheduled for consideration by the Senate Judiciary Committee on July 2, 2013. However, the hearing was cancelled at the request of the author. AB 436 is now a two-year bill.

**County-supported AB 639 (Pérez)**, which as introduced on February 20, 2013, would enact the Veterans Housing and Homeless Prevention Act to repurpose the Veterans' Bond Act of 2008 for the construction, rehabilitation, and preservation of multi-family and supportive housing for veterans for placement on the November 2014 General Election Ballot, passed the Senate Transportation and Housing Committee by a vote of 11 to 0 on July 2, 2013. This measure now proceeds to the Senate Veterans Affairs Committee.

**County-opposed AB 667 (Hernández)**, which as amended on May 20, 2013, would require a city, county, or city and county, prior to approving or disapproving a proposed development project that would permit the construction of a superstore retailer to cause an economic impact report to be prepared, to be paid for by the project applicant, and that includes specified assessments and projections, was scheduled for a hearing in the Senate Governance and Finance Committee on July 3, 2013. However, the hearing was cancelled at the request of the author. AB 667 is now a two-year bill.

**County-opposed AB 729 (Hernández)**, which as amended June 10, 2013, would provide new evidentiary privileges to union agents and represented employees, passed the Senate Judiciary Committee on a 4 to 2 vote on July 2, 2013. This measure now proceeds to the Senate Floor.

**County-supported AB 748 (Eggman)**, which as amended on June 18, 2013, would set the interest rate on judgments against State and local governments to the previous year's Pooled Money Investment Account rate, and set an upper limit of 7 percent, passed the Senate Judiciary Committee by a vote of 5 to 1 on July 2, 2013. This measure now proceeds to the Senate Appropriations Committee.

**County-supported SB 4 (Pavley)**, which as amended on June 25, 2013, would: 1) require an independent scientific study on well stimulation treatments to be conducted by January 1, 2015; 2) provide a comprehensive regulatory framework for the regulation of well stimulation treatments in California; and 3) require air and water quality monitoring by State agencies and local water quality boards in districts where well stimulation treatments take place. SB 4 passed the Assembly Natural Resources Committee by a vote of 6 to 3 on July 1, 2013, and now proceeds to the Assembly Appropriations Committee.

**County-supported SB 53 (De León)**, which as amended on June 27, 2013, would require that the delivery of any kind of ammunition occur in a face-to-face transaction and that only a licensed ammunition vendor may sell ammunition, and require, commencing July 1, 2017, that a purchaser of ammunition be authorized to purchase ammunition by the California Department of Justice, among other provisions, passed the Assembly Public Safety Committee by a vote of 5 to 2 on July 2, 2013. This measure now proceeds to the Assembly Appropriations Committee.

**County-supported SB 402 (De León)**, which as amended on June 18, 2013, would require general acute care and special hospitals that have a perinatal unit to adopt the Ten Steps to Successful Breastfeeding by January 1, 2025, passed the Assembly Appropriations Committee by a vote of 15 to 2 on July 3, 2013. This measure now proceeds to the Assembly Floor.

**County-supported SBX1 3 (Hernandez)**, which as amended on June 19, 2013, would establish a Bridge Plan which would require the California Health Benefits Exchange to contract with Medi-Cal managed care providers to offer health care plans for persons previously enrolled in the Medi-Cal or Healthy Families Programs, with incomes at or below 250 percent of the Federal Poverty Level, subject to Federal approval, passed the Senate Floor by a vote of 36 to 0 on July 1, 2013. This measure now proceeds to the Governor.

### **Status of Legislation of County Interest**

**SB 90 (Galgiani)**, which would make changes to the Personal Income Tax Law and Corporation Tax Law to revise the definitions of a qualified full-time employee, qualified taxpayer, and small business in regards to the hiring credit program and Sales and Use Tax exemption that would be created if AB 93 (Committee on the Budget) is enacted, was amended on July 2, 2013. SB 90 is considered clean-up legislation for AB 93, which, as previously reported, would eliminate the State's Enterprise Zone Program and institute three new business incentive programs, including: 1) a Sales and Use Tax exemption for manufacturing and bio-tech equipment and similar purchases; 2) a hiring credit under the Personal Income Tax (PIT) and Corporation Tax (CT) for employment in specified geographic areas; and 3) allocations of income tax credits through the Governor's Office of Business and Economic Development to assist in retaining existing and attracting new business activity in the State. AB 93 passed the Assembly Floor by a vote of 54 to 19 on June 25, 2013 and is currently on the Governor's desk.

As amended, SB 90 would now make the following changes to the provisions of AB 93:

- 1) Specify that, for the purposes of the hiring credit program that would be created if AB 93 is enacted, a qualified employee may also be a person who is on CalWORKs or county general assistance, an ex-offender previously convicted of a felony, or a veteran separated from the Armed Forces within the previous 12 months;
- 2) Prohibit a sexually oriented business, no matter the size, from receiving hiring credits under the program;
- 3) Provide that the Sales and Use Tax exemption for purchases of manufacturing and bio-tech equipment will apply for eight years from July 1, 2014 to July 1, 2022 (rather than January 1, 2012 for businesses in the current Enterprise Zones and January 1, 2019 for those outside of those areas);

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- 4) Authorize the Governor's Office of Business and Economic Development to designate up to five pilot areas where hiring credits can be claimed for employees who are earning \$10 per hour (rather than wages between 150 percent and 350 percent of minimum wage which is currently between \$12 and \$28 per hour as required for the hiring qualified employees in designated areas under AB 93); and
- 5) Clarify that the tax credits businesses previously accrued under the former Enterprise Zone Program can be carried over for 10 years.

SB 90 passed the Assembly Floor by a vote of 67 to 0, and the Senate Floor by a vote of 36 to 1 on July 3, 2013. This measure now proceeds to the Governor.

We will continue to keep you advised.

WTF:RA  
MR:VE:IGEA:ma

c: All Department Heads  
Legislative Strategist  
Local 721  
Coalition of County Unions  
California Contract Cities Association  
Independent Cities Association  
League of California Cities  
City Managers Associations  
Buddy Program Participants